# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:2994
ANSWERED ON:12.08.2005
TAX ON ALL INCOMES
Barman Shri Hiten;Bose Shri Subrata

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Union Government has decided to tax all incomes from interest;

(b) if so, the details thereof alongwith the reasons therefor; and

(c) the manner in which the Government will safeguard the interests of pensioners and senior citizens?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a) and (b) Finance Act, 2005 has omitted section 80L of the Income-tax Act. Accordingly, deduction of Rs.15,000/- on income by way of interest on government securities and of Rs.12,000/- on income by way of interest on National Savings Certificates, debentures of public sector companies, deposits with banking companies or financial corporations, etc., shall not be available from assessment year 2006-07. (c) The exemption limit for individuals has been raised from Rs 50,000/- to Rs.1,00,000/- and in the case of senior citizens, it has been further increased to Rs.1,85,000/-. Besides, section 80C inserted by Finance Act, 2005 provides for deduction up to Rs.1,00,000/- of the amount deposited in specified saving schemes. -